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Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

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R 171850Z FEB 76
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 9053
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 1306

E.O. 11652: GDS
TAGS: PFOR, EC, US
SUBJECT: ECUADOREAN/US RELATIONS: DISCUSSION WITH THE SUBSECRETARY FOR FOREIGN AFFAIRS

1. BEGIN SUMMARY: THE AMBASSADOR, THE DIRECTOR OF ARA/LA-EP AND POL COUNS MET FOR ONE HOUR WITH THE SUBSECRETARY OF FOREIGN AFFAIRS JOSE AYALA LASSO ON FEB. 13. THE SUBSECRETARY RAISED QUESTIONS AND COMMENTED ON SECRETARY KISSINGER'S TRIP TO LATIN AMERICA, THE NEW "BIG STICK POLICY" OF THE USG, THE TRADE REFORM ACT, THE OAS, ECUADOREAN ACCESS TO THE SOFT-LOAN WINDOW OF THE IDB, ECONOMIC ASSISTANCE, AND FISHING. THROUGHOUT THE CONVERSATION THE SUBSECRETARY STRESSED THE GOE'S INTENT TO MAINTAIN AND IMPROVE GOOD GOE/USG RELATIONS, AND HE ASKED FOR USG UNDERSTANDING AND SUPPORTIVE ACTION WITH RESPECT TO ECUADOR'S PROBLEMS. END SUMMARY

2. AMBASSADOR BREWSTER, MR. KING, DIRECTOR OF THE OFFICE OF ECUADOREAN AND PERUVIAN AFFAIRS, AND POL COUNS MET WITH SUBSECRETARY OF FOREIGN AFFAIRS JOSE AYALA LASSO FOR AN HOUR ON THE AFTERNOON OF FEB. 13. THE CONVERSATION WAS FRANK, CORDIAL AND OPEN. THE SUBSECRETARY STATED EXPLICITLY AND STRONGLY SEVERAL TIMES DURING THE CONVERSATION THE DESIRE OF THE ECUADOREAN GOVERNMENT TO MAINTAIN AND IMPROVE THE GOOD RELATIONS EXISTING BETWEEN ECUADOR AND THE US, AND
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ASKED FOR COMPREHENSION BY THE US OF ECUADOR'S PROBLEMS AND POINTS OF VIEW. THE MAJOR SUBJECTS DISCUSSED FOLLOW.

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3. THE SUBSECRETARY ASKED THE PURPOSE OF SECRETARY KISSINGER'S TRIP TO LATIN AMERICA, AND STATED THAT IF THE INTENT WERE TO AGAIN COMMENCE A "NEW DIALOGUE" WITH LATIN AMERICA THAT IT WOULD HAVE BEEN ADVISABLE TO HAVE INCLUDED ECUADOR ON THE SECRETARY'S VISIT. HE RECOUNTED THE HISTORY OF HOW THE PREVIOUS EFFORT TO OPEN THE "NEW DIALOGUE" HAD BEEN DISRUPTED BECAUSE OF US TRADE DISCRIMINATION TOWARD ECUADOR AND VENEZUELA, WITH THE CONSEQUENT FORCED CANCELLATION OF THE SECRETARY'S VISIT TO BUENOS AIRES. THE SUBSECRETARY EXPRESSED DOUBT ABOUT THE POSSIBILITY OF TRUE DIALOGUE BETWEEN LATIN AMERICA AND THE UNITED STATES SO LONG AS THE US APPEARED DISCRIMINATORY TOWARD AND INDIFFERENT TO THE PROBLEMS OF LATIN AMERICAN STATES.

4. SUBSECRETARY AYALA REFERRED TO THE SECRETARY'S RECENT TESTIMONY BEFORE CONGRESS AND TO AMBASSADOR MONIYHAN'S DECLARATIONS TO THE UNITED NATIONS TO THE EFFECT THAT COUNTRIES WOULD BE EVALUATED BY THE USG AND DEALT WITH IN ACCORDANCE TO THEIR SUPPORT OR NON-SUPPORT OF US POSITIONS. HE STATED EMPHATICALLY THAT SUCH PRONOUNCEMENTS WERE DETRIMENTAL TO US/LATIN AMERICAN RELATIONS, AND SAID THE ATTITUDE WAS REMINISCENT OF THE EPOCH OF THE "BIG STICK" WHICH WAS AN ANATHEMA TO LATIN AMERICANS. HE RECALLED AT THE SAME TIME THAT ECUADOR HAD, AGAINST ITS OWN VIEWS OF ITS INTERESTS IN RELATION TO OTHER COUNTRIES AND BECAUSE OF ITS FRIENDSHIP FOR THE US, CHANGED ITS VOTE ON THE UNGA KOREAN RESOLUTION AND SUPPORTED THE US POSITION. HE SAID THE GOE HAD TAKEN THIS ACTION WITH THE EXPECTATION THAT THE US WOULD RECIPROCATE, PARTICULARLY TAKING INTO ACCOUNT ECUADOR'S POSITION ON SPECIAL TRADE PREFERENCES. THIS, THE SUBSECRETARY SAID, HAD NOT OCCURRED.

5. AYALA STRESSED POLITELY BUT VERY FIRMLY THE GOE'S STRONG DISSATISFACTION WITH THE TRADE REFORM ACT, AND STATED HIS DISAPPOINTMENT AT US INTRANSIGEANCE. RESPONDING TO MR. KING'S DESCRIPTION OF THE CURRENT REALITY OF US EXECUTIVE BRANCH-LEGISLATIVE BRANCH RELATIONSHIPS IN A CHANGING WORLD, THE SUBSECRETARY SAID THE ECUADOREANS
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FULLY UNDERSTOOD THE PROBLEM. THE GOE MUST, HOWEVER, DEAL WITH THE TOTAL USG, AND PRESENT USG POLICIES ARE VERY HARMFUL TO ECUADOR. HE AGAIN REPEATED IN CONNECTION WITH THESE COMMENTS THE DESIRE OF ECUADOR TO HAVE FRIENDLY AND MUTUALLY BENEFICIAL RELATIONS WITH THE US.

6. THE SUBSECRETARY ASKED ABOUT THE UNITED STATES' ATTITUDE TOWARD THE OAS. HE EXPRESSED APPRECIATION AND RELIEF AT MR. KING'S STATEMENT THAT THE USG WAS DETER-MINED TO STICK WITH THE OAS AND TO MAKE IT A MORE USEFUL

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ORGANIZATION. THE SUBSECRETARY SAID THAT ECUADOR AS A
SMALL NATION ATTACHED CONSIDERABLE IMPORTANCE TO MEANINGFUL
INTERNATIONAL ORGANIZATIONS, AND HE IMPLIED THAT WITHOUT
US PARTICIPATION IN THE OAS THAT IT WOULD BE OF FAR LESS
VALUE TO ECUADOR.

7. THE SUBSECRETARY STATED THE PREOCCUPATION OF THE GOE
ABOUT ACCESS TO THE SOFT LOAN WINDOW OF THE IDB. HE
SUGGESTED THAT THE AMERICAN REPRESENTATIVE TO THE IDB
COULD PROBABLY REVERSE ANY DECISIONS DENYING ECUADOR LOANS,
AND ASKED THAT THE USG REPRESENTATIVE BE INSTRUCTED TO
GIVE FAVORABLE CONSIDERATION TO GOE LOAN REQUESTS.
AMBASSADOR BREWSTER EXPLAINED TO THE SUBSECRETARY THE
AGREEMENT REACHED BETWEEN FORMER ECUADOREAN MINISTER OF
FINANCE MONCAYO AND SECRETARY SIMON IN SANTO DOMINGO;
AND MR. KING CITED TWO LOANS GRANTED SINCE THIS AGREEMENT,
WITHOUT USING DOLLARS APPROPRIATED TO THE BANK BY THE
AMERICAN CONGRESS. MR. KING SAID WE WOULD LOOK INTO ANY
PENDING ECUADOREAN LOAN APPLICATIONS WITH THE IDB TO SEE
IF SIMILAR PROCEDURES COULD BE USED TO FACILITATE AUTHOR-
IZATION OF THE REQUESTED LOANS.

8. IN RESPONSE TO EXPLANATIONS ABOUT THE US CONGRESSIONAL
DECISION TO PROVIDE FINANCIAL ASSISTANCE ONLY TO COUNTRIES
WITH VERY LOW PER CAPITA INCOMES, SUBSSECRETARY AYALA

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

AID-05 OFA-01 IO-11 TRSE-00 /081 W
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R 171850Z FEB 76
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TO SECSTATE WASHDC 9054
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 2 OF 2 QUITO 1306

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ARGUED THAT DESPITE PETROLEUM INCOME ECUADOR REMAINED A VERY POOR COUNTRY AND BADLY IN NEED OF ASSISTANCE.

9. RELATED TO THE SUGGESTION THAT THE US REPRESENTATIVE TO THE IDB COULD HELP THE GOE OBTAIN CONCESSIONAL LOANS FROM THE IDB, THE SUBSECRETARY SAID HE WISHED TO INFORM THE AMBASSADOR AND MR. KING THAT THE GOE HAD INSTRUCTED AMBASSADOR CARDENAS TO SEND A NOTE TO THE DEPARTMENT ASSURING THAT THE GOE WOULD PAY WITHIN 45 DAYS THE DEBT OWED THE US FOR A-37 AIRCRAFT. HE STATED HIS EMBARRASSMENT OVER THE DELAY IN PAYMENT AND SAID HE HOPED CLEARING UP THE MATTER WOULD ENABLE THE USG TO TAKE A MORE SYMPATHETIC AND SUPPORTISG POSITION WITH RESPECT TO THE GOE'S REQUESTS FOR FINANCIAL AID.

10. SUBSECRETARY AYALA, REPLYING TO MR. KING'S EXPRESSION OF SATISFACTION THAT THUS FAR THERE HAD BEEN NO FISHING INCIDENT, AID THE ECUADOREANS WERE VERY APPRECIATIVE OF THE NEW ATTITUDE AND ACTIONS TAKEN BY THE USG IN THIS FIELD. HE MENTIONED SPECIFICALLY THE LETTER OF DEPUTY SECRETARY INGERSOLL TO THE FISHING INDUSTRY AND US CONGRESS. HE STATED THAT THE WORK OF AMBASSADOR BREWSTER ON THE AMERICAN SIDE AND THAT THE ATTITUDE OF THE GOE, AT LEAST WITHIN THE MINISTRY OF FOREIGN AFFAIRS, HAD PERMITTED AVOIDANCE OF SEIZURES THUS FAR; AND HE EXPRESSED
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HOPE WE WOULD BE ABLE TO GET THROUGH THE ENTIRE SEASON WITHOUT INCIDENT.

11. MR. KING URGED SUBSECRETARY AYALA TO STUDY CAREFULLY THE LENGTHY AND DETAILED STATEMENTS MADE FOR THE SECRETARY, AND WITH THE FULL BACKING OF THE PRESIDENT, AT THE UNGA IN SEPTEMBER REGARDING THE INTENTIONS AND WILLINGNESS OF THE USG TO WORK TO IMPROVE THE CONDITIONS FOR DEVELOPMENT OF LESS FORTUNATE NATIONS. HE STRESSED THAT READING OF THESE STATEMENTS WOULD REVEAL US GOOD WILL AND DETERMINATION TO WORK WITH OTHER NATIONS TO CONSTRUCT A MORE JUST AND EQUITABLE WORLD.

12. THE SUBSECRETARY ENDED THE CONVERSATION BY ASKING MR. KING TO CARRY BACK TO WASHINGTON THE GOE'S STRONG DESIRE TO WORK CLOSELY WITH THE US IN THE MANY AREAS WHERE OUR INTERESTS COINCIDE AND HE ASKED THAT THE US TRY TO UNDERSTAND AND BE SUPPORTIVE OF ECUADOR'S NEEDS. AYALA STRESSED THAT THE GOE IS NOT SATISFIED WITH THE WORLD ORDER AS IT NOW EXISTS. HE SAID THE GOE IS COMMITTED TO CHANGING PRESENT CONDITIONS SO THAT ECUADOR CAN BETTER UTILIZE ITS HUMAN AND NATURAL RESOURCES, CAN OBTAIN A MORE EQUITABLE DISTRIBUTION OF THE WORLD'S WEALTH, AND BETTER THE LIVES OF ITS CITIZENS. THIS IS THE GOE'S

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OVER-RIDING OBJECTIVE HE SAID, AND THE GOE REGARDS GOOD
RELATIONS WITH THE USG, AND UNDERSTANDING AND COOPERATION
BY THE US AS EXTREMELY IMPORTANT TO BRINGING ABOUT THE
TYPE OF WORLD THE ECUADOREANS ARE SEEKING.
HE AGAIN REQUESTED US COOPERATION AND SYMPATHY FOR THE
ECUADOREAN GOVERNMENT'S IMPERATIVE QUEST TO IMPROVE THE
WELL-BEING OF THE ECUADOREAN PEOPLE.
BREWSTER

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